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August 4, 1997

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

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AUG - 4 1997

Re: Notice of Ex Parte Communication
Broadband PCS C and F Block Installment
Payment Restructuring; WT Docket No. 97-82

Dear Mr. Caton:

NextWave Telecom Inc.

Late in the day on Friday, August 1, NextWave Telecom Inc. sent the attached letter with attachments to Jon Garcia of the Commission. This letter concerns issues in the above-referenced proceeding.

In accordance with Section 1.1206 of the Commission's rules, an original and two copies of this filing are being submitted to you today. Please direct any questions concerning this matter to me or Janice Obuchowski at 202-347-2771.

Sincerely,

Michael R. Wack
NextWave Telecom Inc.

Attachment

cc w/o attach: Jon Garcia

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Washington, D.C. 20004

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August 1, 1997

Mr. Jon Garcia
PCS Financing Issues Task Force
Federal Communications Commission
1919 M Street, NW
Washington, DC

Dear Mr. Garcia:

Following up on our meeting of earlier this week, this letter distills NextWave Telecom's point of view on two fair and practical solutions to the financial crisis that new wireless entrants are facing. As an initial matter, thank you for the obvious commitment that members of the Commission and of the Task Force are bringing to resolution of the core issues of competition and wireless market structure/financing raised in this proceeding.

NextWave Telecom Inc.

We respectfully suggest that the Task Force should recommend two alternative solutions that licensees could pursue:

1. Restructuring. As proposed in our letter dated July 29, 1997 to you, for those markets where companies have already made substantial financial and human investments in the buildout of licensed territories, restructuring remains the vastly superior option.

At NextWave Telecom, our singular mission has been to rapidly buildout networks to provide our large and small reseller customers with the wireless platform needed to aggressively compete for customers. As a going concern, our focus is to get back on track as soon as possible. To this end, the NextWave proposal aims to keep taxpayers whole, but to permit buildout financing by deferring (but accreting) interest payments in the early years of intensive facilities investment.

From a litigation perspective, we respectfully submit that this approach presents no significant risk. Rule 1.2110(e)(4)(ii) explicitly provides for a "restructured payment schedule". In the case of NextWave's proposal, taxpayers are made whole within the ten year license term.

2. Amnesty/Reauction. For those licenses where, for whatever reasons, no substantial buildout has occurred, amnesty and reauction on fair terms is a workable solution. Reauction could well be the most satisfactory solution for these undeployed markets because a reauction will reset the price at the much lower current market price for raw spectrum. Even so, under this scenario, a serious drawback is that the competition to be provided by the

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Mr. Jon Garcia
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C Block could be delayed at least another year, with incumbents standing to gain the most as they consolidate market share in the interim.

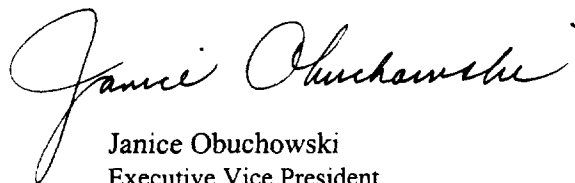
We are attaching our "best estimate" timelines to illustrate this point. Comprehensive reauctions tend to present the most substantial issues for those licensees who have already invested most aggressively into the C Block vision of facilities-based competition. Our approximately \$80 million investment in buildout would be largely lost. At the same time, we would be dramatically impeded in our ability to set a schedule to reassure creditors and to recommence buildout. Most importantly, from a public service vantage point, the competitive choice for customers provided by entrepreneurs' block policy would be further delayed.

These concerns will be exacerbated if the Commission gives in to those who argue that existing licensees should be penalized as part of any reauction process. Allowing those entrepreneurs, and any other DE bidders, to enter a reauction with a clean slate is the best way to ensure rapid and successful implementation of an amnesty/reauction program.

NextWave Telecom Inc.

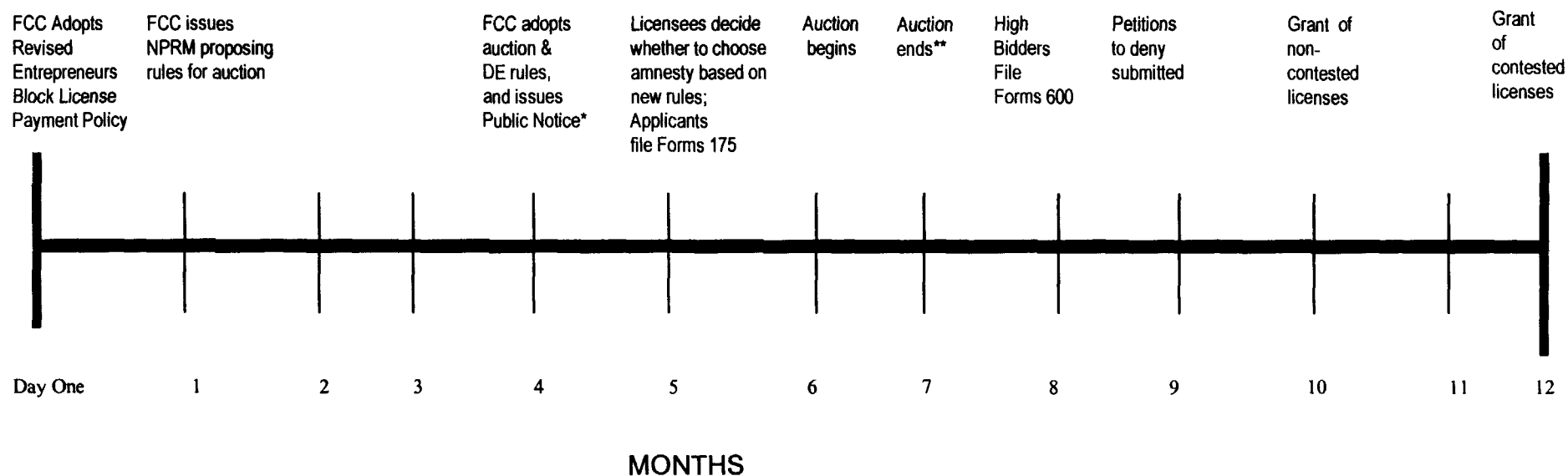
Thank you very much for your patience in understanding this point of view. We look forward to answering any questions that you or the Task Force might have.

Sincerely,



Janice Obuchowski
Executive Vice President

Illustrative Auction Timeline



* This timeline assumes no reconsideration of the Order

** Depending on the number of licenses could take much longer

PCS Licensing Timeline

